

## **THE INCREASED MEDICARE COMPLIANCE AUDITS (IMCA) INITIATIVE**

The *Health Insurance Amendment (Compliance) Act 2011* took effect on 9 April 2011. It applies to Medicare services provided on or after this date. It:

- allows the Chief Executive Medicare (CEM) in the Department of Human Services (DHS) to give a notice requiring a person to produce documents to substantiate a Medicare benefit paid in respect of a service;
- provides for an additional financial penalty for certain practitioners who are not able to substantiate a Medicare benefit paid in respect of a service; and
- provides an opportunity for a health professional to seek a review of a decision on amounts recoverable.

The practical impact of these changes is that the CEM may give a notice to a practitioner or third party requiring the production of documents to substantiate a Medicare benefit paid for a service.

Before a notice to produce documents can be issued, the CEM must fulfil several conditions:

- firstly, the CEM must have a reasonable concern that the Medicare benefit paid for a service may exceed the amount that should have been paid;
- secondly, the CEM must take advice from a DHS medical adviser on the kinds of documents that contain information relevant to substantiating the Medicare benefit;
- thirdly, the CEM must take reasonable steps to consult with a relevant professional body about the types of documents that contain information relevant to substantiating a Medicare benefit before commencing a compliance audit; and
- finally, the CEM must first give the person a reasonable opportunity to respond to a written request to voluntarily provide documents.

The *Health Insurance Amendment (Compliance) Act 2011* can be found at: <http://www.comlaw.gov.au/Details/C2011A00010>